

NEW HAMPSHIRE STATE LIQUOR COMMISSION MINUTES

February 11, 2009

PRESENT: Commissioner Patricia Russell; Commissioner Richard Simard; George Tsiopras, Chief Financial Officer; Peter Engel, Director of Store Operations; Rick Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; Evie Taft, Director of Human Resources; Deb Milewski, Director of information Technology; Deputy Chief Scott Dunn, Enforcement; Craig Bulkley entered the meeting at 1:25 PM, Chief of Administration.

Excused: Chairman Mark Bodi; John Bunnell, Administrator of Marketing & Sales; Tony Burns, Assistant Director of Store Operations; Chief Eddie Edwards;

I) ADMINISTRATIVE SERVICES REPORTS

1) Administrative Issues

Two Legislative hearings on Thursday, Feb. 12, Re: HB 605 and HB 636.

Conference call scheduled for today with Store Supervisors and the Chairman.

No waivers pending, a waiver for shelving is being prepared.

2) Financial Report

The week ending February 8, 2009 sales are up 33% over the same period as last year, we're holding at 6% increase year to date. Very healthy week, both wine and spirits up. Customer counts – up 16%.

Contracts for Plaistow and Manchester are being prepared. There was a brief discussion regarding financing and putting money into other stores.

3) IT Report

IT continues to work on production support and systems enhancements. Working with store operations on the Plaistow store move.

4) Human Resources Report

Evaluations are updated.

If there is anything you would like to see on the upcoming training agenda, please advise.

II) MARKETING AND SALES REPORT

1) Store Operations

John Bunnell is excused from today's meeting and Peter Engel reported on the Marketing and Sales report.

Total stores were up for the week \$1.6M or 34%.

Plaistow store is in week two of construction operation. A brief discussion regarding the upcoming move took place.

Hampstead will be the next store to have construction.

2) Merchandising Report

- A. Purchasing
Kathy distributed the latest out-of-stock warehouse report
- B. Warehouse
- C. Spirits

Motion made by Commissioner Russell as written. Commissioner Simard seconded the motion to accept the Spirits Agenda items 1 through 14 below, as recommended by Rick Gerrish. All in favor, motion carried.

1. Approved 13 spirit special offers received from Executive Wine & Spirits for the month of April.
2. Approved 15 spirit special offers received from Martignetti Companies of NH for the month of April.
3. Approved 1 spirit special offer received from MS Walker for the month of April.
4. Approved 4 spirit special offers received from Pine State Trading Company for the month of April.
5. Approved 223 spirit special offers received from Southern Wine & Spirits for the month of April.
6. Approved the request received from BM Distilled Spirits to purchase 50 cases of Fabrizia Limoncello, 750ML size (new code--#4701), as a one-time purchase.
7. Approved the request received from Southern Wine & Spirits to purchase 32 cases of Connemara Irish Whiskey, 750ML size (code--#495); 24 cases of Connemara Irish Cask Strength, 750ML size (code--#506); and 16 cases of Connemara Irish 12 Year Old, 750ML size (code--#511), as one-time purchases.
8. Approved reducing the retail price of remaining holiday gift packs in order to deplete remaining retail inventory.
9. Approved all spirit delist appeal recommendations submitted by Rick Gerrish dated February 10th.
10. Approved the request received from Southern Wine & Spirits to list Jeremiah Weed Sweet Tea Vodka, 750ML size (new code #3395) as a test market item.
11. Approved the request received from Southern Wine & Spirits to list Smirnoff Twist of Pomegranate Vodka, 750ML size (new code—#3213) as a test market item
Denied their request to list Smirnoff Twist of Melon Vodka, 750ML size.
12. Approved the change from full distribution to “Specialty Item” status for test market codes #5799, Dr. McGillicuddy’s Lemon Drop, 750ML size and #5190, Danny Devito Limoncello, 750ML size.
13. Approved the request received from Southern Wine & Spirits to conduct a product promotion in conjunction with Jim Beam Bourbons on March 11th in stores #20, 34, and 74 from 5-7:00 p.m.
14. Approved the request received from Southern Wine & Spirits to conduct a product promotion in conjunction with Malibu Rums during the promotional months of April, May and June whereby consumers can enter to win one of ten Malibu surfboards.

D. Wines

The Commission made note of a letter received from Larry J. Gammon, President and CEO, of Easter Seals New Hampshire. Mr. Gammon commended the Commission for the outstanding critical support for an overall successful event. The letter noted that this year’s event will benefit more than 28,000 children and adults with disabilities and special needs throughout New Hampshire.

Motion made by Commissioner Russell, as written. Commissioner Simard seconded the motion to accept the Wines Agenda items 1 through 9, as recommended by Nicole Brassard. All in favor, motion carried.

1. Approved the request received from Southern Wine & Spirits to offer \$2.00 off per bottle on Chateau Ste Michelle Chardonnay and Merlot wines for our April E-Mail Alert program.
2. Approved the request received from Horizon Beverages to offer 24 wines as part of our April E-Mail Alert program.
3. Approved the request received from Horizon Beverages to offer \$1.00 off per bottle on Cupcake Cabernet Sauvignon and Chardonnay for our March E-Mail Alert program, and also to use the same coupon during in-store promotional “dry” tastings at our Portsmouth Traffic Circle, Hampton North, Hampton South, Hooksett North and Hooksett South locations.
4. Approved the Top 1200 wines ending 1/1/09.
5. Approved the recommended wines for distribution to selected stores, submitted by Nicole dated February 9th.
6. Approved the request received from Martignetti Companies to add code #45276, Smoking Loon Zinfandel by testing and placing an absolute of three on the item in cluster one and stores 4, 21, 22, 25, 33, 49 and 54.
7. Approved the request received from Martignetti Companies to add code #11174, Sutter Home Red by testing and placing an absolute of three on the item in cluster one and stores 4, 21, 22, 25, 33, 49 and 54.
8. Approved close-out pricing for Code #8917, Beaujolais Nouveau 2008, in order to deplete remaining store inventory.
9. Approved all primary source submissions
Exclusive – 2, Imported - 6

Informational items were acknowledged by Commissioner Russell and Commissioner Simard for the request received from Horizon Beverages to hold in-store tastings on March 20th in stores 69, 22, 1, and 6 from 4-6:00 p.m. Wine codes to be poured are #42787 and 42789.

At 1:30 p.m. a motion was made by Commissioner Russell to end the Commission Meeting of February 11, 2009. Commissioner Simard seconded the motion, which was unanimously adopted on a roll call vote.

IV) ENFORCEMENT & LICENSING REPORT

None

V) CHAIRMAN’S REPORT & LATE ITEMS

- a. Bailment Requests - None
- b. Coupon Approvals - None
- c. Legal Issues – None
- d. Late Items - None

VI) EXECUTIVE SESSION

Nothing for the Agenda

Excused

Mark M. Bodi, Chairman

Patricia T. Russell, Commissioner

Richard E. Simard, Commissioner